

DDA Subject

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Office of the Inspector General Study of  
Agency Boards of Review

FROM:

STAT Harry E. Fitzwater  
Deputy Director for Administration

EXTENSION

NO.

DDA 81-1308/7

DATE

26 October 1981

TO: (Officer designation, room number, and  
building)

DATE

OFFICER'S  
INITIALS

RECEIVED FORWARDER COMMENTS (Number each comment to show from whom  
to whom. Draw a line across column after each comment.)

1. Executive Registry

2. Deputy Director of  
Central Intelligence

3. Deputy Director of  
Central Intelligence

4. Deputy Director of  
Central Intelligence

5. Deputy Director of  
Central Intelligence

6. Deputy Director of  
Central Intelligence

7. Deputy Director of  
Central Intelligence

8. Deputy Director of  
Central Intelligence

27 Oct 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence  
FROM: Harry E. Fitzwater  
Deputy Director for Administration  
SUBJECT: Office of the Inspector General Study of  
Agency Boards of Review  
REFERENCE: Memorandum to the DDA from the DDCI, Same Subject,  
dated 14 August 1981

As requested in reference, the appropriate Offices of the Directorate of Administration have reviewed subject report and the suggestions contained therein. Forwarded herewith are statements submitted by the Offices of Finance and Logistics (on behalf of the Headquarters Claims Review Board, the Headquarters Survey Review Board, the Board of Review, and the Overpayments Review Board) which provide, in a summarized fashion, reports on their progress in implementing the Inspector General's suggestions.

Harry E. Fitzwater

Harry E. Fitzwater

## Attachments:

Comments from OF/DDA  
Comments from OL/DDA

EO/DDA/ [redacted] (26 Oct 81)

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cc: IG  
D/NFAC  
DDO  
DDS&T  
OP  
OF/DDA  
OL/DDA

## Distribution:

Original - Addressee w/atts  
1 - DCI w/atts  
1 - ER w/atts  
1 - D/NFAC w/atts  
1 - DDO w/atts  
1 - DDS&T w/atts  
1 - OP w/atts  
1 - IG w/atts  
1 - OF/DDA w/atts  
1 - OL/DDA w/atts  
1 - DDA Subject w/atts  
1 - DDA Chrono w/o atts  
1 - EO/DDA Chrono w/o atts

All Portions of This  
Memorandum are Unclassified

20 October 1981

MEMORANDUM FOR: Executive Officer, DDA

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FROM:   
Deputy Director for Compliance/OF

SUBJECT: IG Report on Board of Review and  
Overpayment Review Board

Attached is Office of Finance response to subject  
report.

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Attachment:  
OF Response to IG Report

## Chapter 5

### Board of Review

The Office of Finance also endorses the IG report at page 35 wherein the IG endorses the PMCD standard to raise OSA positions to the GS-09-08 level. Early resolution is needed.

#### IG Suggestion (at page 35)

We suggest that no new OSA be given cash custodial responsibilities who has not taken and passed the course (Field Administration Course).

Current regulation and handbook changes have been written and are now out for Agency coordination stating that the Director of Finance will approve all cash custodians. In the case of OSA assignments that include cash custodial responsibilities, Finance will use the Office of Training and Education (OT&E) certification that each new OSA has successfully passed the Field Administration Course wherever possible. In addition each request for D/F approval will be supported by the individual's certification attesting to his or her understanding of custodian duties, responsibilities and liabilities, and a review of each candidate's work record for evidence of unsuitability.

#### IG Suggestion (at page 35)

We suggest that area division B&F officers certify to the Director of Finance the suitability of an OSA to be a cash custodian. In addition to formal OT&E training Finance will require responsible B&F office provide each OSA with on-the-job training within the area division finance unit prior to their departure. The Director of Finance will wherever possible require the chief B&F officer to evaluate as to how well each OSA performed and provide a recommendation as to whether the OSA should be granted the assignment.

#### IG Suggestion (at page 36)

We suggest that senior managers ensure that the Performance Appraisal Report of employees and supervisors (including COSS and COBs) responsible for cash management include a statement on how well that responsibility is carried out. The Office of Finance endorses this suggestion. It is more appropriate for DDO/CMS to respond as to what procedure will be employed to implement this suggestion.

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IG Suggestion (at page 36)

We suggest that the Deputy Director for Administration take the action necessary to have a charter for the Board of Review written and to establish procedures, philosophies, and definition of terms for board use. There should be added to the appropriate Agency regulations and handbooks and made available to all employees. The Office of Finance will draft philosophies and procedures for DDA approval. We do believe however that HR [ ] and HHB [ ] Chapter VIII has established an adequate foundation for such a charter.

IG Suggestion (at page 37)

We suggest that the Director of Finance revise HR [ ] to authorize Headquarters operating officials to settle shortage and overage cases for amounts through \$100 in accounts other than their own. Finance agrees with the suggestion and will incorporate the change in the revision now being drafted.

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IG Suggestion (at page 37)

We suggest that the Director of Finance revise regulation to have "Agency funds" lost, stolen or missing in a single incident settled by the Board of Review. While Finance believes the Board of Review can adjudicate all cases involving "Agency funds" there would need to be a close coordination process between the Headquarters Claims Review Board and the BOR. This would occur where a case such as a pickpocket involved true personal funds and "Agency funds." Both boards would need to adjudicate their findings the same way - one could not hold in favor of the employee while the other found the employee at fault. This area needs further study.

IG Suggestion (at page 37)

We suggest that the Director of Finance revise HHB [ ] to provide for a DO representative as a permanent member of the Board of Review. We believe that the current wording of paragraph 76 of HHB [ ] Chapter VIII is appropriate..."The Board will include a representative of the Deputy Director or Head of Independent Office responsible for the activity that gave rise to the case under consideration by the Board." It is true that most cases involve the DO area however it would seem inappropriate to have the DO representative in attendance should a case under consideration be one involving another Directorate. At present DDO cases are all heard by the same DDO representative.

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IG Suggestion (at page 38)

We suggest that the Director of Finance revise HHB [ ] to increase to 90 days the time for completing action on each report of shortage or overage unless extenuating circumstances indicate additional time should be permitted. Finance agrees

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that the current 30-day requirement for resolution of cases is unrealistic. We however believe that a 120 day requirement for completion is needed. In addition to the reasons expressed in the IG report we believe that we should allow 60 days to see whether the reported shortage or overage will surface within the two succeeding accounting periods. If the shortage or overage remains the additional 60 days should provide ample time for the BOR to complete the case.

IG Suggestion (at page 38)

We suggest that the Director of Finance revise HR [ ] to grant employees found pecuniarily liable the right to appeal the decision to the DCI through the Inspector General. Further, the communication notifying the employee of his liability should cite the regulation that describes the appeal process. While the Office of Finance has no problem with including a standard statement advising each employee held liable of their rights of appeal it does seem as though with minor revisions, HR [ ] adequately addresses each employee's appeal (grievance) process. HR [ ] needs to be revised so that the grievances (appeals) process will not exclude "any matter for which an independent channel has been established by statute or regulation for adjudication"....We will revise both HR [ ] to incorporate this suggestion.

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## Chapter 6

### Overpayment Review Board

#### IG Suggestion (at page 42)

We suggest that the Director of Finance explore the possibility of modifying ETARS so that other data pertinent to pay and allowances also can be transmitted electronically for timely action. Finance and the Office of Data Processing are currently involved with the development of a new payroll system that will incorporate many new systems changes including this and related suggestions.

#### IG Suggestion (at page 43)

We suggest that the Director of Finance establish a training program in Compensation Division and appoint a training officer. Finance agrees with the suggestion for training programs and plans to develop two programs, one applicable to the automated payroll and the other applicable to the non-official cover payroll. A position is currently available for the former payroll awaiting a qualified candidate, whereas the latter payroll awaits approval of a position for a trainer. Finance is also exploring the feasibility of providing computer assisted instruction (CAI) capabilities.

#### IG Suggestion (at page 43)

We repeat our suggestion that the Deputy Director for Administration take the action necessary to have a charter for the Overpayments Review Board written and to establish procedures, philosophies, and definition of terms for board use. These should be added to the appropriate Agency regulations and handbooks and made available to all employees. The Office of Finance will draft philosophies and procedures for DDA approval. We do believe however that HR [ ] has established an adequate foundation for such a charter.

#### IG Suggestion (at page 44)

We suggest that each employee be advised of his opportunity to request a waiver of the overpayment and of the appeal process if the waiver is denied. Finance also believes every employee should be allowed a right of appeal when a waiver is denied and in the future will so direct each employee to HR [ ]. As stated in our response to a similar suggestion addressed in the Board of Review report we believe with minor revisions, HR [ ] could adequately satisfy the appeal mechanism.

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Finance disagrees with the blanket suggestion that all overpayments include a statement advising employees of their opportunity to request a waiver. HR [redacted] is available to all employees and certainly cannot be denied however to call ones attention to every overpayment would most probably add undue burden to the paper system. However Finance is not adverse to calling attention to the waiver process for those instances where the overpayment has resulted from complex administrative

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~~Another point that should be made is that each employee has a responsibility to review their pay entitlements and as an aid the Agency goes to great expense to advise the majority of our employees what each has been paid.~~

**SECRET**DD/A Request  
81-1308/5

15 OCT 1981

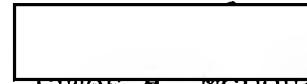
MEMORANDUM FOR: Executive Officer to the DDA

FROM: James H. McDonald  
Director of Logistics

SUBJECT: Office of Inspector General Study of Agency  
Boards of Review

REFERENCE: DDCI memo for DDA, dated 14 August 81,  
same subject (DD/A 81-1308/4; ER 81-4829/1)

Per your request of 21 August 1981, attached are comments concerning the Headquarters Claims Review Board (HCRB) part of the IG report on Agency boards of review. The attached comments have been prepared by the Chairman, HCRB, and coordinated with all members of the board. Please call if you would like additional information or otherwise prefer a more in-depth response.



James H. McDonald

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## Attachment:

- A. Reference
- B. Comments w/atts

OL 1 3558(a)

THIS DOCUMENT MAY BE DECLASSIFIED  
WHEN SEPARATED FROM THE ATTACHMENTS

**SECRET**

Headquarters Claims Review Board (HCRB)

1. This memorandum is to advise you on the progress in implementing the suggestions contained in the I.G. Report.

2. The Inspector General's (I.G.) Report has been circulated to the members of the Headquarters Claims Review Board (HCRB), and analysis and discussions between the Office of the DDA and the HCRB have been completed. Each recommendation was reviewed against the constraints of the legislative act, the morale and interest of the employee, and the equities of the Government and taxpayer. Due consideration was/is given to the logic of staying in basic synchronization with Army policy, (Army is tasked by Congress to develop and publish the standards for adjudicating claims) and [redacted]

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[redacted] In analyzing the I.G. recommendations, the HCRB did not assume the role of defender of the public treasury, nor did they play the public cornucopia. Responsibility for public funds is taken seriously by the HCRB, as is the need for high morale to further Government purposes. Changes have been made and procedures have been implemented to continue to review the suggestions in the I.G. Report against the realities and complexities of claim adjudication.

3. Specifically, as a result of this review, along with action initiated prior to the study, the following changes have been initiated/implemented.

- The category limit for jewelry costing over \$100 per item has been raised from \$1,000 to \$3,000 per claim.
- An additional position is being requested (part-time GS-7) to assist the Claims Review Officer (CRO) (GS-11). The assistant will improve the response to claimants and also enable the establishment of a computer data base. Statistics from the data base will better enable the board to identify problems/inequities. The statistics, plus continued [redacted] will better enable the board to justify and recommend policy changes.

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SUBJECT: Headquarters Claims Review Board (HCRB)

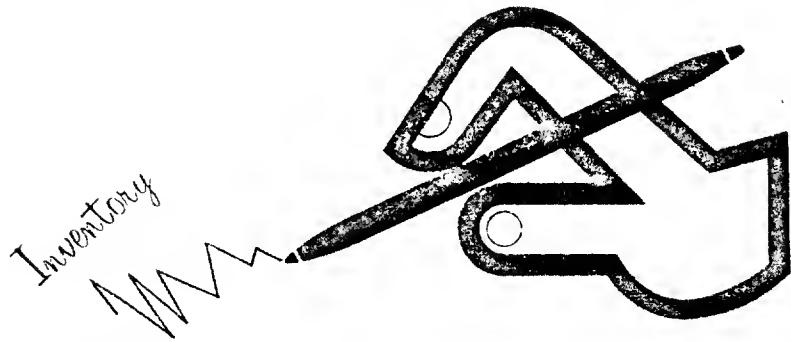
- A pamphlet has been revised and distributed. The pamphlet identifies and clarifies the criteria used in the adjudication of claims, identifies category limits, and generally establishes the limits of Government liability for property loss. This pamphlet is distributed to all Agency support officers and to attendees of the various training courses. Central Processing Branch also distributes copies of this pamphlet to all personnel in process for PCS overseas and domestic assignments, and all are required to sign a form stating they have received the information explaining the policy of adjudicating claims (copy of pamphlet and form are enclosed for your convenience).
- The concept of incident to service has been broadened to give additional protection to TDY personnel.
- Settlement authority by operating officials has been raised from \$100 to \$300.
- The CRO provides instructions on claims to personnel attending the various training courses, such as the OTE Overseas Orientation Course, Field Administration Course, and the OC Overseas Orientation Program.
- The CRO is available on request to provide a presentation on claims.

Changes will continue to be made as necessary to best balance the competing requirements of Government equity and employee morale.

4. I, of course, am available and would welcome the opportunity to further discuss the complexities of reimbursement for personnel property losses.

Government  
Liability for

**Personal  
Property  
Claims**



## CLAIMS INFORMATION

1. Authority. You have a right to file a claim against the government and to be paid for personal property which is lost, damaged, or destroyed in a government move. However, there are restrictions and limits on the amounts that the government will allow you. You should be aware of these rules before you move. Some of the more important restrictions are:

- a. The maximum amount that can be paid on any claim is \$15,000;
- b. Within that \$15,000, there are limits on the amounts that can be paid on certain types and categories of property such as noted in the Table of Maximum Allowances listed in the attached pamphlet, "Government Liability for Personal Property Claims."

2. Proving damages. A claimant is required to prove the amount of his damages. This is done by proving the type, quantity, quality, and condition of the items lost or damaged in the move. Have this information before you move! Based upon these facts and the damage and loss estimates, the government computes the amount of money damages to be awarded.

3. Planning. Prior planning is essential to avoid financial losses. If you are shipping property pursuant to government orders (PCS, TDY) take the following steps before you move:

- a. Read Headquarters Regulation [redacted] "Claims for Lost, Damaged, or Destroyed Personal Property," very carefully; STAT
- b. Make sure that you have receipts, appraisals, photographs, or other valid evidence of the type, quantity, quality, and condition of items shipped;
- c. Consider purchasing insurance if you are shipping property of more than \$15,000 in value or property that exceeds the limits in defined categories (para. 1b, above); and
- d. Purchase traveler's checks rather than carry large amounts of cash.

4. Action when damage occurs. If you sustain any damage or loss in your move, carefully note damaged and missing items on the carrier's inventory or other paper at the time of delivery, and promptly notify your support office of all damaged and missing items, and submit a personal property claim in accordance with HR [redacted]

I have read the above information and have retained a copy of the pamphlet entitled "Government Liability for Personal Property Claims."

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SIGNATURE

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DATE

Headquarters Survey Review Board

No suggestions